

Salary Bill House Study Bill 261

Proposed Action:

House Appropriations

April 26, 2001

AN ACT relating to the compensation and benefits for public officials and employees, providing for related matters, and making appropriations.



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LEGISLATIVE FISCAL BUREAU NOTES ON BILLS AND AMENDMENTS (NOBA)

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EXECUTIVE SUMMARY NOTES ON BILLS AND AMENDMENTS

HOUSE STUDY BILL 261 SALARY BILL

SIGNIFICANT SALARY ACT PROVISIONS

- Provides a 3.0% salary increase for justices, judges, and magistrates for FY 2002. Increases are effective June 22, 2001. (Page 1, Line 1)
- Provides no increase for the salary ranges of appointed officials for FY 2002. (Page 3, Line 2)
- Appropriates \$48.5 million from the General Fund to the Salary Adjustment Fund for FY 2002 for the negotiated bargaining agreements for contract-covered employees and noncontract employees. (Page 5, Line 22)
- Provides a 3.0% across-the-board increase and merit step increases for noncontract employees of the State, excluding the Board of Regents, effective June 22, 2001. (Page 7, Line 4)
- Provides for increases to noncontract employees under the Board of Regents. (Page 7, Line 35)
- Appropriates \$6.5 million from the General Fund to the Salary Adjustment Fund for FY 2002 for the Judicial Branch. This is to pay the negotiated bargaining agreements for contract-covered employees and noncontract employees. (Page 8, Line 14)
- Appropriates Road Use Tax Fund (RUTF) and Primary Road Fund (PRF) moneys to pay salary increases for employees supported from these Funds. (Page 8, Line 29 and Page 9, Line 3)
- Requires the General Fund appropriation to the Salary Adjustment Fund to be used to pay salary increases supported by General Fund appropriations. (Page 9, Line 22)
- Provides authorization for the expenditure of federal funds for salary adjustments where appropriate. (Page 9, Line 26)
- Specifies that sworn peace officers in the Department of Public Safety, not covered by a collective bargaining agreement, receive the same per diem meal allowance as covered sworn peace officers. (Page 9, Line 31)
- Funds the position of a salary model administrator-coordinator within the Department of Management. (Page 10, Line 3)
- Provides for an allocation of \$768,000 from the Salary Adjustment Fund for funding of overtime pay for the patient care bargaining unit. (Page 10, Line 28)
- Establishes a \$2.00 surcharge on central State employees health insurance contracts. Up to \$600,000 collected from this surcharge can be used by the Department of Personnel to administer health insurance programs. (Page 11, Line 27)

**EXECUTIVE SUMMARY
NOTES ON BILLS AND AMENDMENTS**

**HOUSE STUDY BILL 261
SALARY BILL**

**SIGNIFICANT CHANGES TO THE
CODE OF IOWA**

- Establishes a Terminal Liability Health Insurance Fund to pay the expenses at the end of the current central State health insurance contract. Appropriates \$18.0 million to the Fund from the Unassigned Revenue Fund administered by the Iowa Underground Storage Tank Fund. (Page 12, Line 8 and Page 12, Line 30)

LSB3675H

LSB3675H provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section	Description
12	8	18	Adds	Section 421.46	Terminal Liability Health Insurance
12	30	19	Adds	Section 455G.3(6)	Underground Storage Tank Appropriation

1 1 Section 1. STATE COURTS -- JUSTICES, JUDGES, AND
 1 2 MAGISTRATES.
 1 3 1. The salary rates specified in subsection 2 are for the
 1 4 fiscal year beginning July 1, 2001, effective for the pay
 1 5 period beginning June 22, 2001, and for subsequent fiscal
 1 6 years until otherwise provided by the general assembly. The
 1 7 salaries provided for in this section shall be paid from funds
 1 8 appropriated to the judicial branch from the salary adjustment
 1 9 fund pursuant to section 8 of this Act or if the appropriation
 1 10 is not sufficient, from the funds appropriated to the judicial
 1 11 branch pursuant to any Act of the general assembly.
 1 12 2. The following annual salary rates shall be paid to the
 1 13 persons holding the judicial positions indicated during the
 1 14 fiscal year beginning July 1, 2001, effective with the pay
 1 15 period beginning June 22, 2001, and for subsequent pay
 1 16 periods.
 1 17 a. Chief justice of the supreme court:
 1 18 \$ 120,920
 1 19 b. Each justice of the supreme court:
 1 20 \$ 116,600
 1 21 c. Chief judge of the court of appeals:
 1 22 \$ 116,490
 1 23 d. Each associate judge of the court of appeals:
 1 24 \$ 112,170
 1 25 e. Each chief judge of a judicial district:
 1 26 \$ 111,140
 1 27 f. Each district judge except the chief judge of a
 1 28 judicial district:
 1 29 \$ 106,610
 1 30 g. Each district associate judge:
 1 31 \$ 92,910
 1 32 h. Each associate juvenile judge:
 1 33 \$ 92,910
 1 34 i. Each associate probate judge:
 1 35 \$ 92,910
 2 1 j. Each judicial magistrate:

Sets the FY 2002 salary rates for judicial positions.

DETAIL: Provides a 3.00% salary increase on June 22, 2001, for justices, judges, and magistrates.

2 2 \$ 27,700
 2 3 k. Each senior judge:
 2 4 \$ 6,180

2 5 Sec. 2. SALARY RATE LIMITS. Persons receiving the salary
 2 6 rates established under section 1 of this Act shall not
 2 7 receive any additional salary adjustments provided by this
 2 8 Act.

Prohibits judicial positions from receiving any additional salary adjustments under this Bill.

2 9 Sec. 3. APPOINTED STATE OFFICERS. The governor shall
 2 10 establish a salary for appointed nonelected persons in the
 2 11 executive branch of state government holding a position
 2 12 enumerated in section 4 of this Act within the range provided,
 2 13 by considering, among other items, the experience of the
 2 14 individual in the position, changes in the duties of the
 2 15 position, the incumbent's performance of assigned duties, and
 2 16 subordinates' salaries. However, the attorney general shall
 2 17 establish the salary for the consumer advocate, the chief
 2 18 justice of the supreme court shall establish the salary for
 2 19 the state court administrator, the ethics and campaign
 2 20 disclosure board shall establish the salary of the executive
 2 21 director, and the state fair board shall establish the salary
 2 22 of the secretary of the state fair board, each within the
 2 23 salary range provided in section 4 of this Act.
 2 24 The governor, in establishing salaries as provided in
 2 25 section 4 of this Act, shall take into consideration other
 2 26 employee benefits which may be provided for an individual
 2 27 including, but not limited to, housing.

Requires the Governor to set the salary for most nonelected State officials within the ranges authorized in Section 4. The salaries for the State Court Administrator, Consumer Advocate, the Executive Director of the Ethics and Campaign Disclosure Board, and Secretary of the State Fair Board are set by the appropriate directors or boards.

2 28 A person whose salary is established pursuant to section 4
 2 29 of this Act and who is a full-time, year-round employee of the
 2 30 state shall not receive any other remuneration from the state
 2 31 or from any other source for the performance of that person's
 2 32 duties unless the additional remuneration is first approved by
 2 33 the governor or authorized by law. However, this provision

Prohibits appointed nonelected State officials from receiving other State remuneration unless authorized by the Governor or by law. This does not apply to travel or expense reimbursements or fringe benefits.

2 34 does not exclude the reimbursement for necessary travel and
 2 35 expenses incurred in the performance of duties or fringe
 3 1 benefits normally provided to employees of the state.

3 2 Sec. 4. STATE OFFICERS -- SALARY RATES AND RANGES. The
 3 3 following annual salary ranges are effective for the positions
 3 4 specified in this section for the fiscal year beginning July
 3 5 1, 2001, and for subsequent fiscal years until otherwise
 3 6 provided by the general assembly. The governor or other
 3 7 person designated in section 3 of this Act shall determine the
 3 8 salary to be paid to the person indicated, at a rate within
 3 9 the salary ranges indicated, from funds appropriated by the
 3 10 general assembly for that purpose.

Provides that salary ranges for appointed nonelected officials are effective for FY 2002.

3 11 1. The following are salary ranges 1 through 5 for the
 3 12 fiscal year beginning July 1, 2001, effective with the pay
 3 13 period beginning June 22, 2001:

3 14 SALARY RANGES	<u>Minimum</u>	<u>Maximum</u>
3 15 a. Range 1	\$ 8,800	\$29,000
3 16 b. Range 2	\$32,200	\$58,500
3 17 c. Range 3	\$44,100	\$68,200
3 18 d. Range 4	\$53,100	\$78,000
3 19 e. Range 5	\$62,400	\$87,800

Sets the salary rates and ranges for State officials and specifies that the ranges are effective with the pay period beginning June 22, 2001.

DETAIL: The salary ranges are unchanged from the base FY 2001 salary. All State officials are placed within the same range as FY 2001. Two directors have been added to Range 8; the Director of the Information Technology Department and the Executive Director of the Iowa Communications and Technology Commission

3 20 2. The following are range 1 positions: There are no
 3 21 range 1 positions for the fiscal year beginning July 1, 2001.
 3 22 3. The following are range 2 positions: administrator of
 3 23 the arts division of the department of cultural affairs,
 3 24 administrators of the division of persons with disabilities,
 3 25 the division on the status of women, the division on the
 3 26 status of African-Americans, the division of deaf services,
 3 27 and the division of Latino affairs of the department of human
 3 28 rights, and administrator of the division of professional
 3 29 licensing and regulation of the department of commerce.
 3 30 4. The following are range 3 positions: administrator of
 3 31 the division of emergency management of the department of

3 32 public defense, administrator of the division of criminal and
3 33 juvenile justice planning of the department of human rights,
3 34 administrator of the division of community action agencies of
3 35 the department of human rights, executive director of the
4 1 commission of veterans affairs, and chairperson and members of
4 2 the employment appeal board of the department of inspections
4 3 and appeals.

4 4 5. The following are range 4 positions: superintendent of
4 5 banking, superintendent of credit unions, administrator of the
4 6 alcoholic beverages division of the department of commerce,
4 7 state public defender, and chairperson, vice chairperson, and
4 8 members of the board of parole.

4 9 6. The following are range 5 positions: consumer
4 10 advocate, drug policy coordinator, labor commissioner,
4 11 workers' compensation commissioner, administrator of the
4 12 historical division of the department of cultural affairs,
4 13 administrator of the public broadcasting division of the
4 14 department of education, and commandant of the veterans home.
4 15 7. The following are salary ranges 6 through 9 for the
4 16 fiscal year beginning July 1, 2001, effective with the pay
4 17 period beginning June 22, 2001:

4 18 SALARY RANGES	<u>Minimum</u>	<u>Maximum</u>
4 19 a. Range 6	\$48,200	\$ 78,000
4 20 b. Range 7	\$66,000	\$ 88,500
4 21 c. Range 8	\$70,800	\$102,700
4 22 d. Range 9	\$79,000	\$122,500

4 23 8. The following are range 6 positions: director of the
4 24 department of human rights, director of the Iowa state civil
4 25 rights commission, executive director of the college student
4 26 aid commission, director of the department for the blind, and
4 27 executive director of the ethics and campaign disclosure
4 28 board.

4 29 9. The following are range 7 positions: director of the
4 30 department of cultural affairs, director of the department of
4 31 elder affairs, and director of the law enforcement academy.

4 32 10. The following are range 8 positions: the
4 33 administrator of the state racing and gaming commission of the

4 34 department of inspections and appeals, director of the
 4 35 department of inspections and appeals, director of the
 5 1 department of general services, director of the information
 5 2 technology department, executive director of the Iowa
 5 3 communications and technology commission, director of the
 5 4 department of personnel, commissioner of public safety,
 5 5 commissioner of insurance, executive director of the Iowa
 5 6 finance authority, director of revenue and finance, director
 5 7 of the department of natural resources, director of the
 5 8 department of corrections, and chairperson of the utilities
 5 9 board. The other members of the utilities board shall receive
 5 10 an annual salary within a range of not less than 90 percent
 5 11 but not more than 95 percent of the annual salary of the
 5 12 chairperson of the utilities board.
 5 13 11. The following are range 9 positions: director of the
 5 14 department of education, director of human services, director
 5 15 of the department of economic development, executive director
 5 16 of the state board of regents, director of the state
 5 17 department of transportation, director of the department of
 5 18 workforce development, lottery commissioner, director of
 5 19 public health, the state court administrator, secretary of the
 5 20 state fair board, and the director of the department of
 5 21 management.

5 22 Sec. 5. COLLECTIVE BARGAINING AGREEMENTS FUNDED -- GENERAL
 5 23 FUND. There is appropriated from the general fund of the
 5 24 state to the salary adjustment fund for distribution by the
 5 25 department of management to the various state departments,
 5 26 boards, commissions, councils, and agencies, including the
 5 27 state board of regents but excluding the judicial branch of
 5 28 state government, for the fiscal year beginning July 1, 2001,
 5 29 and ending June 30, 2002, the amount of \$48,500,000, or so
 5 30 much thereof as may be necessary, to fully fund the following
 5 31 annual pay adjustments, expense reimbursements, and related
 5 32 benefits:
 5 33 1. The collective bargaining agreement negotiated pursuant

General Fund appropriation to the Salary Adjustment Fund of \$48,500,000 for FY 2002 to be distributed by the Department of Management (DOM) to the various State departments, boards, commissions, councils, and agencies to pay salary increases negotiated by the bargaining units as listed.

DETAIL: The appropriation funds the collective bargaining agreements for contract-covered employees in all collective bargaining units. These include:

1. American Federation of State, County, and Municipal Employees (AFSCME) - 3.00% across-the-board salary increase on June 22, 2001; continuation of merit step increases for employees who are

5 34 to chapter 20 for employees in the blue collar bargaining	not on the top step of the pay range.
5 35 unit.	2. Iowa United Professionals (IUP) - 3.00% across-the-board salary
6 1 2. The collective bargaining agreement negotiated pursuant	increase on June 22, 2001; continuation of merit step increases
6 2 to chapter 20 for employees in the public safety bargaining	for employees who are not on the top step of the pay range.
6 3 unit.	3. United Faculty of Iowa (UFI) - 5.60% average pay increase on
6 4 3. The collective bargaining agreement negotiated pursuant	July 1, 2001.
6 5 to chapter 20 for employees in the security bargaining unit.	4. State Police Officer's Council (SPOC) - 3.00% across-the-board
6 6 4. The collective bargaining agreement negotiated pursuant	salary increase on June 22, 2001; continuation of merit step
6 7 to chapter 20 for employees in the technical bargaining unit.	increases for employees who are not on the top step of the pay
6 8 5. The collective bargaining agreement negotiated pursuant	range.
6 9 to chapter 20 for employees in the professional fiscal and	5. Public, Professional, and Maintenance Employees (PPME) -
6 10 staff bargaining unit.	2.00% across-the-board salary increase on July 1, 2001, and a
6 11 6. The collective bargaining agreement negotiated pursuant	2.00% increase January 1, 2002; continuation of merit step
6 12 to chapter 20 for employees in the university of northern Iowa	increases for employees who are not on the top step of the pay
6 13 faculty bargaining unit.	range.
6 14 7. The collective bargaining agreement negotiated pursuant	6. Campaign to Organize Graduate Students (COGS) - 4.00%
6 15 to chapter 20 for employees in the clerical bargaining unit.	average pay increase on July 1, 2001.
6 16 8. The collective bargaining agreement negotiated pursuant	7. Tertiary Health Care at the University of Iowa - 6.60% average
6 17 to chapter 20 for employees in the professional social	pay increase on July 1, 2001.
6 18 services bargaining unit.	
6 19 9. The collective bargaining agreement negotiated pursuant	
6 20 to chapter 20 for employees in the community-based corrections	
6 21 bargaining unit.	
6 22 10. The collective bargaining agreement negotiated	
6 23 pursuant to chapter 20 for employees in the patient care	
6 24 bargaining unit.	
6 25 11. The collective bargaining agreement negotiated	
6 26 pursuant to chapter 20 for employees in the science bargaining	
6 27 unit.	
6 28 12. The collective bargaining agreement negotiated	
6 29 pursuant to chapter 20 for employees in the state university	
6 30 of Iowa graduate student bargaining unit.	
6 31 13. The collective bargaining agreement negotiated	
6 32 pursuant to chapter 20 for employees in the state university	
6 33 of Iowa hospital and clinics tertiary health care bargaining	
6 34 unit.	
6 35 14. The annual pay adjustments, related benefits, and	

7 1 expense reimbursements referred to in sections 6 and 7 of this
7 2 Act for employees not covered by a collective bargaining
7 3 agreement.

7 4 Sec. 6. NONCONTRACT STATE EMPLOYEES -- GENERAL.

7 5 1. a. For the fiscal year beginning July 1, 2001, the
7 6 maximum salary levels of all pay plans provided for in section
7 7 19A.9, subsection 2, as they exist for the fiscal year ending
7 8 June 30, 2001, shall be increased by 3 percent for the pay
7 9 period beginning June 22, 2001, and any additional changes in
7 10 the pay plans shall be approved by the governor.

7 11 b. For the fiscal year beginning July 1, 2001, employees
7 12 may receive a step increase or the equivalent of a step
7 13 increase.

7 14 2. The pay plans for state employees who are exempt from
7 15 chapter 19A and who are included in the department of revenue
7 16 and finance's centralized payroll system shall be increased in
7 17 the same manner as provided in subsection 1, and any
7 18 additional changes in any executive branch pay plans shall be
7 19 approved by the governor.

7 20 3. This section does not apply to members of the general
7 21 assembly, board members, commission members, salaries of
7 22 persons set by the general assembly pursuant to this Act or
7 23 set by the governor, other persons designated in section 3 of
7 24 this Act, employees designated under section 19A.3, subsection
7 25 5, and employees covered by 581 IAC 4.6(3).

7 26 4. The pay plans for the bargaining eligible employees of
7 27 the state shall be increased in the same manner as provided in
7 28 subsection 1, and any additional changes in such executive
7 29 branch pay plans shall be approved by the governor. As used
7 30 in this section, "bargaining eligible employee" means an
7 31 employee who is eligible to organize under chapter 20, but has
7 32 not done so.

7 33 5. The policies for implementation of this section shall

Provides noncontract State employees with a 3.00% across-the-board salary increase on June 22, 2001, and continuation of merit step increases for employees who are not on the top step of the pay range.

Specifies that noncontract State employee increases do not apply to:

1. Members of the General Assembly.
2. Board or commission members.
3. Salaries set by the General Assembly.
4. Salaries set by the Governor.
5. Employees under Section 19A.3(5), Code of Iowa (presidents, deans, directors, teachers, professional and scientific personnel, and student employees of the Board of Regents).
6. Employees of the Board of Regents (except Board Office employees).
7. Employees who exceed the pay for the top of the range.

Requires the Governor to approve the policies for implementation of

7 34 be approved by the governor.

this Section.

7 35 Sec. 7. STATE EMPLOYEES -- STATE BOARD OF REGENTS. Funds
 8 1 from the appropriation in section 5 of this Act shall be
 8 2 allocated to the state board of regents for the purposes of
 8 3 providing increases for state board of regents employees
 8 4 covered by section 5 of this Act and for employees not covered
 8 5 by a collective bargaining agreement as follows:
 8 6 1. For regents merit system employees and merit
 8 7 supervisory employees to fund for the fiscal year, increases
 8 8 comparable to those provided for similar contract-covered
 8 9 employees in this Act.
 8 10 2. For faculty members and professional and scientific
 8 11 employees to fund for the fiscal year, percentage increases
 8 12 comparable to those provided for contract-covered employees in
 8 13 section 5, subsection 6, of this Act.

Allocates a portion of the \$48,500,000 appropriated in Section 5 of this Bill to the Board of Regents for contract and noncontract employee salary increases.

DETAIL: Board of Regents merit system employees receive increases comparable to other contract-covered employees.

8 14 Sec. 8. COLLECTIVE BARGAINING AGREEMENTS AND NONCONTRACT
 8 15 SALARIES FUNDED -- GENERAL FUND -- JUDICIAL BRANCH. There is
 8 16 appropriated from the general fund of the state to the salary
 8 17 adjustment fund for distribution to the judicial branch of
 8 18 state government for the fiscal year beginning July 1, 2001,
 8 19 and ending June 30, 2002, the amount of \$6,500,000, or so much
 8 20 thereof as may be necessary, to fully fund the following
 8 21 annual pay adjustments, expense reimbursements, and related
 8 22 benefits:
 8 23 1. The collective bargaining agreement negotiated pursuant
 8 24 to chapter 20 for employees in the judicial branch of
 8 25 government bargaining unit.
 8 26 2. The annual pay adjustments, related benefits, and
 8 27 expense reimbursements for judicial branch employees not
 8 28 covered by a collective bargaining agreement.

General Fund appropriation to the Salary Adjustment Fund of \$6,500,000 for FY 2002 to be distributed to the Judicial Branch to pay salary increases negotiated by the bargaining units as listed.

DETAIL: The appropriation funds the collective bargaining agreement for contract-covered employees in the Judicial Branch - American Federation of State, County, and Municipal Employees (AFSCME) - 3.00% across-the-board salary increase on June 22, 2001, and merit step increases for those eligible.

8 29 Sec. 9. APPROPRIATIONS FROM ROAD FUNDS.
 8 30 1. There is appropriated from the road use tax fund to the

Road Use Tax Fund appropriation to the Salary Adjustment Fund.

8 31 salary adjustment fund for the fiscal year beginning July 1,
8 32 2001, and ending June 30, 2002, the following amount, or so
8 33 much thereof as may be necessary, to be used for the purpose
8 34 designated:
8 35 To supplement other funds appropriated by the general
9 1 assembly:
9 2 \$ 3,122,527

9 3 2. There is appropriated from the primary road fund to the
9 4 salary adjustment fund, for the fiscal year beginning July 1,
9 5 2001, and ending June 30, 2002, the following amount, or so
9 6 much thereof as may be necessary, to be used for the purpose
9 7 designated:
9 8 To supplement other funds appropriated by the general
9 9 assembly:
9 10 \$ 10,305,191

9 11 3. Except as otherwise provided in this Act, the amounts
9 12 appropriated in subsections 1 and 2 shall be used to fund the
9 13 annual pay adjustments, expense reimbursements, and related
9 14 benefits for public employees as provided in this Act.

9 15 Sec. 10. SPECIAL FUNDS -- AUTHORIZATION. To departmental
9 16 revolving, trust, or special funds, except for the primary
9 17 road fund or the road use tax fund, for which the general
9 18 assembly has established an operating budget, a supplemental
9 19 expenditure authorization is provided, unless otherwise
9 20 provided, in an amount necessary to fund salary adjustments as
9 21 otherwise provided in this Act.

9 22 Sec. 11. GENERAL FUND SALARY MONEYS. Funds appropriated
9 23 from the general fund of the state in this Act relate only to
9 24 salaries supported from general fund appropriations of the
9 25 state.

Primary Road Fund appropriation to the Salary Adjustment Fund.

Requires appropriations from the Road Use Tax Fund and the
Primary Road Fund to be used as provided in this Bill.

Provides supplemental expenditure authorization for revolving trust
funds or other special funds, except the Road Use Tax Fund and the
Primary Road Fund, to be used to fund salary adjustments.

Requires that the General Fund appropriation made in this Bill be
used only to support salaries funded from the General Fund.

9 26 Sec. 12. FEDERAL FUNDS APPROPRIATED. All federal grants
 9 27 to and the federal receipts of the agencies affected by this
 9 28 Act which are received and may be expended for purposes of
 9 29 this Act are appropriated for those purposes and as set forth
 9 30 in the federal grants or receipts.

Requires eligible federal funds received to be expended for salary adjustments where appropriate.

9 31 Sec. 13. STATE TROOPER MEAL ALLOWANCE. The sworn peace
 9 32 officers in the department of public safety who are not
 9 33 covered by a collective bargaining agreement negotiated
 9 34 pursuant to chapter 20 shall receive the same per diem meal
 9 35 allowance as the sworn peace officers in the department of
 10 1 public safety who are covered by a collective bargaining
 10 2 agreement negotiated pursuant to chapter 20.

Specifies that sworn peace officers in the Department of Public Safety, not covered by a collective bargaining agreement, receive the same per diem meal allowance as covered sworn peace officers. Requires the Department of Management to estimate the cost of providing the per diem meal allowances and requires the allocation of funding from the Salary Adjustment Fund.

10 3 Sec. 14. SALARY MODEL COORDINATOR. Of the funds
 10 4 appropriated by section 5 of this Act, \$133,800 for the fiscal
 10 5 year beginning July 1, 2001, is allocated to the department of
 10 6 management for salary and support of the salary model
 10 7 coordinator who shall work in conjunction with the legislative
 10 8 fiscal bureau to maintain the state's salary model used for
 10 9 analyzing, comparing, and projecting state employee salary and
 10 10 benefit information, including information relating to
 10 11 employees of the state board of regents. The department of
 10 12 revenue and finance, the department of personnel, the five
 10 13 institutions under the jurisdiction of the state board of
 10 14 regents, the eight judicial district departments of
 10 15 correctional services, and the state department of
 10 16 transportation shall provide salary data to the department of
 10 17 management and the legislative fiscal bureau to operate the
 10 18 state's salary model. The format and frequency of provision
 10 19 of the salary data shall be determined by the department of
 10 20 management and the legislative fiscal bureau. The information
 10 21 shall be used in collective bargaining processes under chapter
 10 22 20 and in calculating the funding needs contained within the
 10 23 annual salary adjustment legislation. A state employee

Allocates \$133,800 to the Department of Management for the costs of a salary model administrator. Requires the administrator-coordinator to work in conjunction with the Legislative Fiscal Bureau in maintaining the State's salary model. Requires the following departments or entities to provide salary data to the Department of Management and the Legislative Fiscal Bureau:

1. Revenue and Finance
2. Personnel
3. Five institutions of the Board of Regents
4. Eight judicial districts departments of correctional services (CBC's)
5. Department of Transportation

Specifies that a State employee organization may request information produced by the model, but the information provided shall not be individually identifiable.

10 24 organization as defined in section 20.3, subsection 4, may
10 25 request information produced by the model, but the information
10 26 provided shall not contain information attributable to
10 27 individual employees.

10 28 Sec. 15. PATIENT CARE BARGAINING UNIT -- OVERTIME.

10 29 1. Of the funds appropriated in section 5 of this Act, the
10 30 following amount, or so much thereof as is necessary, shall be
10 31 allocated to the department of revenue and finance for the
10 32 fiscal year beginning July 1, 2001, and ending June 30, 2002,
10 33 to be used for the purpose designated:

10 34 To reimburse state agencies for expenditures related to the
10 35 payment of overtime to state employees covered under the
11 1 patient care bargaining unit:

11 2 \$ 768,000

11 3 2. The department of revenue and finance shall provide
11 4 guidelines and forms for documentation that a state agency
11 5 shall submit for the overtime reimbursement provided for in
11 6 subsection 1. The reimbursement shall be restricted to the
11 7 amount of moneys appropriated from the general fund of the
11 8 state that is used to pay overtime of state employees covered
11 9 under the patient care bargaining unit for the fiscal year
11 10 beginning July 1, 2001, and ending June 30, 2002.

Provides for the allocation of funds from the Salary Adjustment Fund for the payment of overtime to the AFSCME patient care bargaining units. Requires the Department of Revenue and Finance to provide guidelines to state agencies for overtime reimbursement. Limits total reimbursement to the amount appropriated from the General Fund.

DETAIL: The payment of overtime is required by the contract. The specific use of overtime by appropriation is unknown. This creates a pool of funds, which can be used for overtime when it occurs.

11 11 Sec. 16. HEALTH INSURANCE INCENTIVE PROGRAMS. For the
11 12 fiscal year beginning July 1, 2001, and ending June 30, 2002,
11 13 the department of revenue and finance shall administer the
11 14 health insurance incentive programs as contained in the
11 15 collective bargaining agreements. The incentive payment shall
11 16 be distributed in the paycheck of an eligible state employee
11 17 if the employee is employed by a central state agency. The
11 18 department of revenue and finance shall provide monthly to
11 19 each judicial district department of correctional services and
11 20 the state board of regents a list of their employee counts by
11 21 benefit plan that qualify for the incentive and the amount of
11 22 the incentive due. The judicial district department of

Requires the Department of Revenue and Finance (DRF) to administer the Health Insurance Incentive Programs for FY 2002.

DETAIL: The current contracts make provisions for monetary incentives for employees to switch to less expensive health insurance plans. These plans are to be administered by the DRF.

11 23 correctional services and the state board of regents shall
11 24 include the amount of the incentive payment to their eligible
11 25 employees' paychecks as soon as the payment is
11 26 administratively practical.

11 27 Sec. 17. STATE EMPLOYEE BENEFIT PROGRAMS --
ADMINISTRATIVE

11 28 COSTS. For the fiscal year beginning July 1, 2001, and ending
11 29 June 30, 2002, the department of personnel shall include a
11 30 monthly administration charge of \$2.00 per contract on all
11 31 health insurance plans administered by the department. A
11 32 health insurance administration fund is created in the state
11 33 treasury. The department of revenue and finance shall remit
11 34 the proceeds of the administration charge monthly to the
11 35 health insurance administration fund which shall be used by
12 1 the department of personnel to pay the administrative costs of
12 2 state employee benefit programs. The total amount of
12 3 administration charges remitted to the health insurance
12 4 administration fund shall not exceed \$600,000 per fiscal year.
12 5 Any unencumbered or unobligated balance in the health
12 6 insurance administration fund at the end of the fiscal year
12 7 shall be transferred to the health insurance surplus fund.

Establishes a \$2.00 administrative surcharge fee per central health insurance contract to be deposited into a Health Insurance Administration Fund.

DETAIL: The surcharge fee is paid by the employer. The Department of Personnel is authorized to expend \$600,000 from the funds generated for the administration of health insurance programs.

FISCAL IMPACT: It is estimated that the administrative fee will generate \$600,000.

12 8 Sec. 18. NEW SECTION. 421.46 TERMINAL LIABILITY HEALTH
12 9 INSURANCE FUND.

12 10 A terminal liability health insurance fund is created in
12 11 the state treasury under the control of the department of
12 12 personnel. The proceeds of the terminal liability health
12 13 insurance fund shall be used by the department of personnel to
12 14 pay the state's share of the terminal liability of the
12 15 existing health insurance contract administered by the
12 16 department of personnel. The moneys appropriated to the
12 17 terminal liability health insurance fund plus any additional
12 18 funds appropriated pursuant to this Act or other Acts of the
12 19 general assembly shall constitute the total amount due to pay
12 20 the terminal liability specified in this section.

CODE: Establishes a Terminal Liability Health Insurance Fund to be used to pay the costs that will occur upon termination of the current central State contract for health insurance.

DETAIL: Section 19 appropriates \$18,000,000 to the fund from the Unassigned Revenue Fund administered by the Iowa Underground Storage Tank Fund. Any funds remaining upon completion of the terminal liability obligation will revert to the Unassigned Revenue Fund.

12 21 Notwithstanding section 8.33, any unencumbered or
12 22 unobligated balance remaining in the terminal liability health
12 23 insurance fund at the close of a fiscal year shall not revert.
12 24 However, upon total payment of the terminal liability of the
12 25 existing health insurance contract administered by the
12 26 department of personnel, any remaining balance in the terminal
12 27 liability health insurance fund shall revert to the credit of
12 28 the fund from which the appropriation was made as provided in
12 29 section 8.33.

12 30 Sec. 19. Section 455G.3, Code 2001, is amended by adding
12 31 the following new subsection:
12 32 NEW SUBSECTION. 6. There is appropriated from the
12 33 unassigned revenue fund administered by the Iowa comprehensive
12 34 underground storage tank fund board to the terminal liability
12 35 health insurance fund created pursuant to section 421.46 for
13 1 the fiscal year beginning July 1, 2001, and ending June 30,
13 2 2002, the amount of eighteen million dollars to be used by the
13 3 department of personnel to pay the state's share of the
13 4 terminal liability of the existing Wellmark health insurance
13 5 contract.
13 6 This subsection is repealed effective July 1, 2002.

CODE: Appropriates \$18,000,000 to the Terminal Liability Health Insurance Fund from the Unassigned Revenue Fund administered by the Iowa Underground Storage Tank Fund.

13 7 EXPLANATION

13 8 This bill relates to and appropriates moneys for the fiscal
13 9 year beginning July 1, 2001, to fund salary adjustments for
13 10 state appointed nonelected officers, justices, judges,
13 11 magistrates, employees subject to collective bargaining
13 12 agreements, and certain noncontract employees.
13 13 The contract state employees under the American federation
13 14 of state, county and municipal employees receive a 3 percent
13 15 increase. The contract employees under the state police
13 16 officers council and Iowa united professionals receive a 3
13 17 percent increase.
13 18 The salaries of justices, judges, and judicial magistrates
13 19 are increased approximately 3 percent. Noncontract employee

13 20 pay plans are increased by 3 percent and any additional
13 21 changes in executive branch noncontract employee pay plans are
13 22 subject to approval of the governor. An eligible noncontract
13 23 employee may receive a step increase or its equivalent.
13 24 The state board of regents is allocated appropriations to
13 25 fund its collective bargaining agreements and provide merit
13 26 employees not covered under a collective bargaining agreement
13 27 with increases comparable to similar contract-covered
13 28 employees and faculty and the professional and scientific
13 29 employees not covered under a collective bargaining agreement
13 30 with a percentage increase similar to the university of
13 31 northern Iowa faculty bargaining unit.
13 32 The bill also provides supplemental authorization to fund
13 33 salaries from trust, revolving, and special funds for which
13 34 the general assembly has established an operating budget.
13 35 Funds appropriated from the general fund of the state
14 1 relate only to salaries supported from general fund
14 2 appropriations. The bill provides that federal grants and
14 3 receipts may be spent for the purposes authorized by the
14 4 federal grant or receipt.
14 5 A salary model coordinator is funded to maintain in
14 6 conjunction with the legislative fiscal bureau the state's
14 7 salary model.
14 8 The bill allocates funds to the department of revenue and
14 9 finance to reimburse state agencies for overtime paid to
14 10 employees of the patient care bargaining unit.
14 11 The bill also provides for health insurance incentive
14 12 programs for contract and noncontract employees and provides
14 13 for an incentive payment to eligible employees.
14 14 The bill authorizes the department of personnel to collect
14 15 an administration charge of \$2.00 per contract on all health
14 16 insurance plans to pay the administrative costs of state
14 17 benefit programs.
14 18 The bill appropriates moneys from the unassigned revenue
14 19 fund administered by the Iowa comprehensive underground
14 20 storage tank fund board to the department of personnel to pay
14 21 the state's share of the terminal liability of the existing

PG LN

LSB3675H

Explanation

14 22 health insurance contract.

14 23 LSB 3675YC 79

14 24 tj/pj/5.1

Summary Data

General Fund

LSB3675H	Actual	Estimated Net	Revised Gov.	House Subcom	House Sub vs	Page & Line
	FY 2000	FY 2001	FY 2002	FY 2002	Governor's	Number
	(1)	(2)	(3)	(4)	(5)	(6)
Administration and Regulation	\$ 415,167	\$ 133,800	\$ 91,000,000	\$ 55,000,000	\$ -36,000,000	
Grand Total	<u>\$ 415,167</u>	<u>\$ 133,800</u>	<u>\$ 91,000,000</u>	<u>\$ 55,000,000</u>	<u>\$ -36,000,000</u>	
Operations	\$ 415,167	\$ 133,800	\$ 91,000,000	\$ 55,000,000	\$ -36,000,000	
Grand Total	<u>\$ 415,167</u>	<u>\$ 133,800</u>	<u>\$ 91,000,000</u>	<u>\$ 55,000,000</u>	<u>\$ -36,000,000</u>	

Administration and Regulation

General Fund

LSB3675H	Actual FY 2000 (1)	Estimated Net FY 2001 (2)	Revised Gov. FY 2002 (3)	House Subcom FY 2002 (4)	House Sub vs Governor's (5)	Page & Line Number (6)
Judicial Branch						
Salary Adjustment Courts				\$ 6,500,000	\$ 6,500,000	PG 8 LN 14
Management, Department of						
Salary Adjustment	\$ 415,167	\$ 133,800	\$ 91,000,000	\$ 48,500,000	\$ -42,500,000	PG 5 LN 22
Total Administration and Regulation	<u>\$ 415,167</u>	<u>\$ 133,800</u>	<u>\$ 91,000,000</u>	<u>\$ 55,000,000</u>	<u>\$ -36,000,000</u>	
Operations	\$ 415,167	\$ 133,800	\$ 91,000,000	\$ 55,000,000	\$ -36,000,000	
Grand Total	<u>\$ 415,167</u>	<u>\$ 133,800</u>	<u>\$ 91,000,000</u>	<u>\$ 55,000,000</u>	<u>\$ -36,000,000</u>	

Summary Data

Non General Fund

LSB3675H	Actual	Estimated Net	Revised Gov.	House Subcom	House Sub vs	Page & Line
	FY 2000	FY 2001	FY 2002	FY 2002	Governor's	Number
	(1)	(2)	(3)	(4)	(5)	(6)
Administration and Regulation	\$ 2,707,668	\$ 6,795,801	\$ 16,500,000	\$ 31,427,718	\$ 14,927,718	
Grand Total	<u>\$ 2,707,668</u>	<u>\$ 6,795,801</u>	<u>\$ 16,500,000</u>	<u>\$ 31,427,718</u>	<u>\$ 14,927,718</u>	
Operations	\$ 2,707,668	\$ 6,795,801	\$ 16,500,000	\$ 13,427,718	\$ -3,072,282	
Displayed Funds	\$ 0	\$ 0	\$ 0	\$ 18,000,000	\$ 18,000,000	
Grand Total	<u>\$ 2,707,668</u>	<u>\$ 6,795,801</u>	<u>\$ 16,500,000</u>	<u>\$ 31,427,718</u>	<u>\$ 14,927,718</u>	

Administration and Regulation

Non General Fund

LSB3675H	Actual FY 2000 (1)	Estimated Net FY 2001 (2)	Revised Gov. FY 2002 (3)	House Subcom FY 2002 (4)	House Sub vs Governor's (5)	Page & Line Number (6)
Management, Department of						
Road Use Tax Salary Adjustment	\$ 202,808	\$ 1,113,641	\$ 13,000,000	\$ 10,305,191	\$ -2,694,809	PG 8 LN 29
Primary Road Salary Adjustment	2,504,860	5,682,160	3,500,000	3,122,527	-377,473	PG 9 LN 3
Total Management, Department of	\$ 2,707,668	\$ 6,795,801	\$ 16,500,000	\$ 13,427,718	\$ -3,072,282	
Revenue and Finance, Dept. of						
Salary Health Terminal Liabilt				\$ 18,000,000	\$ 18,000,000	PG 12 LN 30
Total Administration and Regulation	\$ 2,707,668	\$ 6,795,801	\$ 16,500,000	\$ 31,427,718	\$ 14,927,718	
Operations	\$ 2,707,668	\$ 6,795,801	\$ 16,500,000	\$ 13,427,718	\$ -3,072,282	
Displayed Funds	\$ 0	\$ 0	\$ 0	\$ 18,000,000	\$ 18,000,000	
Grand Total	\$ 2,707,668	\$ 6,795,801	\$ 16,500,000	\$ 31,427,718	\$ 14,927,718	